



0000035307

November 22, 2005

Mr. Brian Bozzo
Manager, Compliance and Enforcement – Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

RE: Compliance Delinquency Notice

Dear Mr. Bozzo:

On September 9, 2005, Diné Power Authority (DPA) received a Compliance Delinquency Notice from your office in regard to the Navajo Transmission Project, a project certificated by the Arizona Corporation Commission in 2000. Based on this request, DPA has asked EPG, Inc. to assist in the preparation of the enclosed Self-Certification Letter detailing the status of the project based on the stipulations that were issued in the Certificate of Environmental Compatibility for the project. Fourteen bound copies and one original draft have been provided for your review and distribution.

DPA appreciates the opportunity to provide you with this information. Please direct any comments or questions to Ms. Arlene Arviso of DPA at 928-871-2133.

Sincerely,

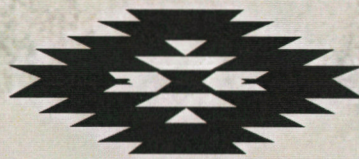
Gregory L. Bernosky, AICP
Project Manager
EPG, Inc.

cc: Arlene Arviso, DPA
file

AZ CORP COMMISSION
DOCUMENT CONTROL

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RECEIVED



NTP

NAVAJO TRANSMISSION PROJECT

SELF-CERTIFICATION LETTER

PREPARED FOR
Arizona Utilities Division Director

SUBMITTED BY



NOVEMBER 2005

CONDITION 1

This authorization to construct the new transmission line will expire ten (10) years from the date the Certificate is approved by the Arizona Corporation Commission, unless construction is completed to the point that the line is capable of operating at its rated capacity by that time; provided, however, that prior to such expiration the Applicant may request that the Arizona Corporation Commission extend the time limitation.

RESPONSE

Diné Power Authority (DPA) expects to construct the Navajo Transmission Line within the timeframe designated in the Certificate. If the proposed project construction schedule is delayed for some reason, then DPA will request an extension of the 10-year time limitation. Currently, interconnection and path rating studies are being conducted.

CONDITION 2

The corridor for the new transmission line will not exceed one thousand (1,000) feet.

RESPONSE

Final design for this project is not complete; however, the corridor within which the transmission line will be constructed and operated will not exceed one thousand (1,000) feet.

CONDITION 3

The new transmission line will be built in accordance with the mitigation measures specified in the final Construction, Operation, and Maintenance Plan ("COMP") concerning the Project. In the event that the new transmission line is constructed along the alternative route described in the application, the Applicant shall ensure that the COMP specifically addresses the alternative route.

RESPONSE

The COMP has been renamed the Plan of Development (POD) and is being updated to include current resource, management, and construction information. The Applicant intends to construct the proposed route authorized in the Certificate of Environmental Compatibility Application; however, a final decision regarding this alignment has not been made. Should the Applicant choose to construct the alternative route identified in the Application, all necessary permits will be acquired and modifications to the POD will be completed prior to construction.

CONDITION 4

The Applicant will comply with all existing air and water pollution control standards and regulations, and with all existing applicable ordinances, master plans and regulations of the State of Arizona, Coconino, Yavapai, and Mohave Counties and any other governmental entities having jurisdiction.

RESPONSE

Final design work for this project has not been completed and construction has not commenced. The Applicant will comply with all existing air and water pollution control standards and regulations, and with all existing applicable ordinances, master plans, and regulations of the State of Arizona; Coconino, Yavapai, and Mohave counties; and any other governmental entities having jurisdiction during the construction and operation of the transmission line.

CONDITION 5

Construction of the new transmission line on non-reservation lands shall not begin until Segment 1, as described in the application, has been constructed and is capable of operating at its rated capacity. However, in the event that all rights of way and regulatory approvals have been received for Segments 1 and 3 of the Project, financing has been procured for Segments 1 and 3, and construction of Segment 1 has begun, then construction of the non-reservation portions of the Project may begin prior to the completion of Segment 1, as long as Segment 1 is completed, energized and capable of operating at its rated capacity prior to Segment 3 being energized.

RESPONSE

Final design work for this project has not been completed. The Applicant intends to design and construct Segment 1 as the initial development of the proposed transmission line and will comply with the requirements for the sequencing of construction as stipulated in Condition 5.

CONDITION 6

The Applicant will become a member of the Western States Coordinating Council (WSCC) and will file with the Arizona Corporation Commission a copy of the Applicant's WSCC Reliability Criteria Agreement.

RESPONSE

DPA will apply to the WSCC (now called the Western Electricity Coordinating Council [WECC]) prior to the construction of the project. DPA provides annual updates to the WECC regarding the NTP status.

CONDITION 7

The Applicant will provide the Arizona Corporation Commission copies of interconnection studies concerning the Project as and when such studies are performed.

RESPONSE

The Applicant is currently engaged in the completion of an interconnection study for the Segment 1 for the NTP, and will provide the Arizona Corporation Commission (ACC) with copies of this study upon completion. DPA will keep the ACC informed about any other interconnection study in the future.

CONDITION 8

The new transmission line shall interconnect with the existing 345 kV and/or 500 kV transmission lines at either or both the Red Mesa or Moenkopi substations. If Segment 2 has not been completed, energized, and capable of operating at its rated capacity, then the new transmission line shall interconnect with the existing 345 kV and/or 500 kV transmission lines at both the Red Mesa and Moenkopi substations.

RESPONSE

Final design work for this project has not been completed and construction has not commenced. Based on the results of the interconnection studies and the final design for the Project, a decision will be made regarding the interconnection with existing transmission lines at either or both the Red Mesa or Moenkopi substations. The Applicant will comply with the stipulations of Condition 8.